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A T T O R N E Y S

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RECORDATION No. 20605

March 31, 1997

RECORDATION No. 15599-A

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

RECORDATION No. 15600-D

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAR 31 1997
4 6 PM '97

Dear Secretary Williams:

I have enclosed two originals of tone document, and the original and one certified copy of two documents, all described below, to be recorded pursuant to 49 U.S.C. § 11301.

The first document is a **Memorandum of Lease Agreement**, a primary document, dated as of March 31, 1997. We request that this document be recorded under the next available Recordation Number.

The names and addresses of the parties to the Memorandum of Lease Agreement are:

Lessor:

The Fifth Third Leasing Company
38 Fountain Square Plaza
Cincinnati, OH 45263

Lessee:

Southdown, Inc.
1200 Smith Street
Houston, TX 77002

A description of the equipment covered by the Memorandum of Lease Agreement consists of 29 3250 cubic foot, 110-ton covered hopper cars numbered SDWX 9700, 9702, 9703,

Secretary Williams

Honorable Vernon A. Williams

March 27, 1997

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9704, 9706, 9707, 9708, 9709, 9710, 9711, 9713, 9714, 9715, 9716, 9717, 9718, 9719, 9720, 9721, 9722, 9724, 9725, 9726, 9727, 9729, 9730, 9732, 9733, and 9735.

The second document is a Partial Release of Collateral, a secondary document, dated as of March 31, 1997. The primary document to which this is connected is recorded under Recordation No. 15599. We request that this document be recorded under Recordation No. 15599-A.

The names and addresses of the parties to the Partial Release of Collateral are:

Secured Party:

Southdown Financing, Inc.
1200 Smith Street
Houston, TX 77002

Debtor:

Southdown, Inc.
1200 Smith Street
Houston, TX 77002

A description of the equipment covered by the Partial Release of Collateral consists of 29 3250 cubic foot, 110-ton covered hopper cars numbered SDWX 9700, 9702, 9703, 9704, 9706, 9707, 9708, 9709, 9710, 9711, 9713, 9714, 9715, 9716, 9717, 9718, 9719, 9720, 9721, 9722, 9724, 9725, 9726, 9727, 9729, 9730, 9732, 9733, and 9735.

The third document is a Partial Release of Collateral, a secondary document, dated as of March 31, 1997. The primary document to which this is connected is recorded under Recordation No. 15600. We request that this document be recorded under Recordation No. 15600-D.

The names and addresses of the parties to the Partial Release of Collateral are:

Secured Party:

Wells Fargo Bank, N.A.
420 Montgomery Street
San Francisco, CA 94163

Honorable Vernon A. Williams
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Debtor:

Southdown, Inc.
1200 Smith Street
Houston, TX 77002

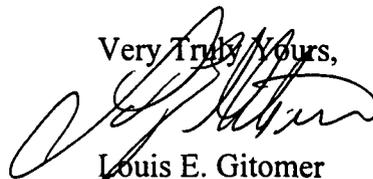
A description of the equipment covered by the Partial Release of Collateral consists of 29 3250 cubic foot, 110-ton covered hopper cars numbered SDWX 9700, 9702, 9703, 9704, 9706, 9707, 9708, 9709, 9710, 9711, 9713, 9714, 9715, 9716, 9717, 9718, 9719, 9720, 9721, 9722, 9724, 9725, 9726, 9727, 9729, 9730, 9732, 9733, and 9735.

A fee of \$72.00 is enclosed. Please return one original of each document to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the documents to appear in the index follows: (1) a Memorandum of Lease Agreement between The Fifth Third Leasing Company, 38 Fountain Square Plaza, Cincinnati, OH 45263, and Southdown, Inc., 1200 Smith Street, Houston, TX 77002; (2) a Partial Release of Collateral between Southdown Financing, Inc., 1200 Smith Street, Houston, TX 77002, and Southdown, Inc., 1200 Smith Street, Houston, TX 77002; and (3) a Partial Release of Collateral between Wells Fargo Bank, N.A., 420 Montgomery Street, San Francisco, CA 94163, and Southdown, Inc., 1200 Smith Street, Houston, TX 77002, all covering 29 3250 cubic foot, 110-ton covered hopper cars numbered SDWX 9700, 9702, 9703, 9704, 9706, 9707, 9708, 9709, 9710, 9711, 9713, 9714, 9715, 9716, 9717, 9718, 9719, 9720, 9721, 9722, 9724, 9725, 9726, 9727, 9729, 9730, 9732, 9733, and 9735

Very Truly Yours,



Louis E. Gitomer

Enclosures

RECEIVED
SURFACE TRANSPORTATION
BOARDRECORDATION No. 15600-D

MAR 31 1 46 PM '97

PARTIAL RELEASE OF COLLATERAL

THIS PARTIAL RELEASE OF COLLATERAL, dated as of March 31 1997 (this "Partial Release"), is executed by **WELLS FARGO BANK, N.A.**, a national banking association, in its capacity as agent ("Secured Party") for the banks and financial institutions which are signatories to that certain Second Amended and Restated Credit Agreement, dated as of November 19, 1993 (as from time to time amended, modified, renewed, extended, restated, replaced, or supplemented, herein referred to as the "Credit Agreement"), entered into among Southdown, Inc., a Louisiana corporation and successor by merger to Southwestern Portland Cement Company, a Delaware corporation ("Debtor"), Secured Party, and the other banks and financial institutions that from time to time are parties thereto. Secured Party and Debtor are parties to that certain Security Agreement, dated as of April 5, 1988, and recorded with the Interstate Commerce Commission on April 22, 1988 (Recordation Number 15600), as amended by that certain Amendment Number One to Security Agreement dated as of May 22, 1989, as amended by that certain Amendment Number Two to Security Agreement, dated as of April 30, 1991 and recorded with the Interstate Commerce Commission on July 30, 1991 (Recordation Number 15600-A), and as amended by that certain Amendment Number Three to Security Agreement, dated as of November 19, 1993 and recorded on January 5, 1994 with the Interstate Commerce Commission (Recordation Number 15600-B) (as amended, supplemented or otherwise modified, the "Security Agreement").

Secured Party hereby releases its security interest in after acquired property created by section three of the Security Agreement for 29 110-ton covered hopper cars numbered SDWX 9700, 9702, 9703, 9704, 9706, 9707, 9708, 9709, 9710, 9711, 9713, 9714, 9715, 9716, 9717, 9718, 9719, 9720, 9721, 9722, 9724, 9725, 9726, 9727, 9729, 9730, 9732, 9733, and 9735. Except as expressly modified and amended by this Partial Release, the provisions of the Security Agreement shall remain in full force and effect in accordance with their original terms.

Secured Party has executed this Partial Release as of the date first set forth above.

WELLS FARGO BANK, N.A.,
a national banking association

By: 
Title: VICE PRESIDENT

ACKNOWLEDGED AND ACCEPTED:

SOUTHDOWN, INC.
a Louisiana corporation

By: L. Craig Cuddeback
Title: Assistant Treasurer

STATE OF Texas)
) ss
COUNTY OF Harris)

On 3/26/97, before me, the undersigned, a Notary Public in and for said State, personally appeared Ann Rhoads, personally known to me (or proved to me on basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Mary Austin Harlow
Notary Public in and for Said State

STATE OF)
) ss
COUNTY OF)

On _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me (or proved to me on basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public in and for Said State

STATE OF Texas)
COUNTY OF Harris)

On 3/24/97, before me, the undersigned, a Notary Public in and for said State, personally appeared Ana Rhoads, personally known to me (or proved to me on basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

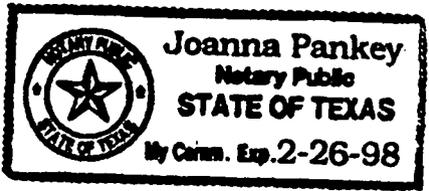


Mary Austin Harlow
Notary Public in and for Said State

STATE OF Texas)
COUNTY OF Harris)

On March 27, 1997, before me, the undersigned, a Notary Public in and for said State, personally appeared Z. Craig Carleton, personally known to me (or proved to me on basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Joanna Pankey
Notary Public in and for Said State

CERTIFICATION

I, LOUIS E. GITOMER, have compared this copy to the original Partial Release of Collateral, dated as of March 31, 1997, and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.

A handwritten signature in black ink, appearing to read "Louis E. Gitomer", written over a horizontal line.

Louis E. Gitomer
March 31, 1997